

**Board of County Commissioners
Leon County, Florida**

**Workshop on:
Update on Brownfield Program and Activities**

**3:00 - 4:00 p.m.
Tuesday, July 13, 2004**

**Leon County Board of County Commissioner Chambers
Leon County Courthouse, 5th Floor**

This document distributed: July 7, 2004.

Board of County Commissioners

Workshop Request

Date of Meeting: July 13, 2004

Date Submitted: July 7, 2004

To: Honorable Chairman and Members of the Board

From: Parwez Alam, County Administrator
Vincent S. Long, Assistant County Administrator
Wayne Tedder, Planning Department Director

Subject: Update on Brownfield Program and Activities

Statement Of Issue

The purpose of this workshop is to provide the Board with an update on current initiatives under the State of Florida's Brownfield Program. Staff has provided a summary of program incentives and has outlined some possible new applications of the program within Leon County.

Background

"Brownfields" are defined in Federal and State law as industrial or commercial sites that are abandoned and underutilized and where redevelopment is hampered by actual or perceived contamination. The premise of most Brownfield programs is that the recycling of such land is fundamentally a property transaction question, and not one of cleanup. Reuse of brownfield locations is also intended to relieve development pressure from "greenfields," or raw land and reduce the costs for extending infrastructure and services to such virgin sites.

The State of Florida created its Brownfield Program (Section 376.78 et seq, F.S.) in 1998 following the Federal lead that housed a Brownfield Initiative within the Environmental Protection Agency (EPA) in 1996. Several states had crafted voluntary cleanup programs in the early-mid 1990s and the Florida program built upon these experiences. The program has both financial and regulatory components.

Financial Incentives

The State's program provides a range of incentives to businesses within designated brownfields including the following:

- A tax credit, applicable to corporate income tax or intangible tax, for up to 35% of all cleanup costs;
- For qualifying businesses, a one-time refund of \$2,500 for each new job created within the brownfield;
- A sales tax credit for building materials purchased for the construction of residential or mixed used developments within the brownfield;
- Access to state and federal low-interest revolving loans; and

- A tax incentive allowing the full deduction of cleanup costs.

Regulatory Benefits

The Florida program also offers certain regulatory relief, subject to the execution of a Brownfield Site Rehabilitation Agreement (BSRA). Foremost, brownfields are subject to Risk-Based Corrective Action (RBCA) cleanup standards, which are generally less stringent, but still provide appropriate protection for the public. Where demonstrated to be effective, reliance upon natural attenuation, or degradation of contaminants by background physical and biological processes, is promoted. Cleanup liability is provided, minimizing future risk (i.e., "re-openers"). Equally important, liability is extended to lenders or third parties who have no role in site management. There is generally a more streamlined process for the State review of reports, permits, etc. in designated brownfields. Designation also allows a community to take advantage of numerous options in many other State (and Federal) programs. These include, for example, access to additional funding sources such as "BEDP" — the Brownfield Economic Development Initiative — within the Federal Department of Housing and Urban Development or additional points in competitive grants such as the Florida Communities Trust. In 2000, the Legislature created Enterprise Florida, Inc., whose role is to market and promote brownfields statewide.

The 2004 Legislature amended the Brownfield Redevelopment Act to, among other things, broaden the definition of brownfield sites, deletes requirements for Comprehensive Quality Assurance Plans, reauthorizes the Brownfield Loan Guarantee Program until 2007, and provides immunity from liability for contaminated land in a designated brownfield that escheats to the county.

Local Brownfields

Leon County has two state-designated brownfields: the Gaines Street Redevelopment Area and Cascades Park. The Cascades Park brownfield is geographically included within the Gaines Street brownfield, but the City of Tallahassee felt a separate designation was warranted to address site-specific contamination concerns. The Gaines Street corridor is also an EPA National Brownfield Demonstration Pilot. There is no limit to the number of brownfields that may be locally designated, but consideration should be given to the administrative and staffing responsibilities that attach to a site being considered for brownfield redevelopment.

The City has taken advantage of the program to date, receiving \$200,000 in EPA funds and an additional \$311,000 in contamination assessment funds through special appropriations administered by the Governor's Office for Tourism, Trade and Economic Development. However, no loans, tax credits, or funds for new jobs have been secured. Cleanup funds and RBCA standards have been applied to a couple of sites in the Gaines Street corridor. The Gaines Street Vitalization Committee functions as the brownfield program's required advisory committee.

Opportunities

Leon County can benefit from the Brownfield program through two avenues: (1) designate new brownfields, and (2) more aggressively employ incentives at the existing brownfield – Gaines Street.

While brownfields are not restricted to urban centers, there is a general absence of histories of contamination for non-urban sites in Leon County. In addition to the need to be affected by perceived or known contamination, the target areas should be poised for redevelopment or re-use. Areas considered for possible brownfield designation locally have included Frenchtown, the South Monroe Sector, and the Sunland site. No further efforts at designation or remediation have occurred at these locations.

Clearly there is significant commitment to the economic revitalization of Frenchtown; what is unknown is whether there is a perception of site contamination affecting the pace of redevelopment and whether brownfield designation could provide significant economic benefits not being generated by other means. The State is attempting to sell the Sunland site, but its re-use is known to be hampered by lead, asbestos, and possible groundwater contamination. The site also will require an amendment to the Comprehensive Plan Future Land Use Map to support uses other than Government / Operations.

The South Monroe Sector was submitted in October 2001 for Federal designation as a “UST-field” given the area’s emphasis on automotive services and significant number of underground storage tanks (USTs), but the site did not receive funding under that specific program. Brownfield designation was a high priority (Task 4) for implementing the Sector Plan, which was adopted by both the City and the County. Designation is expected to be brought back for City approval later this year. The intent of designation is to secure funds for assessment and cleanup and to trigger further investment in redevelopment.

The Cascades Sector Plan, which overlaps the Gaines Street corridor north of the CSX tracks, includes substantial acreage of industrial and warehouse uses along St. Augustine Branch and the Central Ditch north of Orange Avenue. Brownfield designation could complement this part of the Southern Strategy Area given that it is also part of the Enterprise Zone and Tallahassee Community Redevelopment Area. As with South Monroe, designation could make funds available for site assessment and cleanup (if warranted). Brownfield designation is intended to complement and augment benefits associated with the Enterprise Zone.

In sum, local brownfield designation enables local government and the private sector to take advantage of certain tools that promote re-investment in property. Designation is the first step in the process of securing the assistance from the State in terms of applying more generous cleanup standards, receiving liability protection, and qualifying for loans and cash incentives. Competition for these State funds is not a significant issue at this time. However, even though appropriations for the EPA Brownfield Initiative have increased over the past several years, competition for funding has become more intense. An application for a grant award up to \$200,000 would need to be developed and would need to show significant community support and involvement in the crafting of the redevelopment proposal for an area perceived to be contaminated. Funds can be used for any aspect of redevelopment except land acquisition. If awarded a federal grant, local government may be able to take advantage of supplemental incentives from EPA "partner agencies" such as HUD.

Options

1. Accept staff report on Brownfield initiatives and opportunities.
2. Do not accept staff report on Brownfield initiatives and opportunities.
3. Board Direction

Recommendation

Options #1 and #3

PA/VL/DWT/CD/cd